

Animal Biotechnology Commercialization Appropriations Bill House File 453

As Amended by H-1042
House Appropriations Committee Amendment

Last Action:
**House Appropriations
Committee**
March 10, 2003

An Act relating to animal biotechnology by creating an animal biotechnology commercialization fund, extending the time period during which a life science enterprise may purchase agricultural land, making appropriations, and providing an effective date.



On Line At
staffweb.legis.state.ia.us/lfb/noba

LEGISLATIVE FISCAL BUREAU
NOTES ON BILLS AND AMENDMENTS (NOBA)

LFB Contact: David Reynolds (16934)

**EXECUTIVE SUMMARY
NOTES ON BILLS AND AMENDMENTS**

**HOUSE FILE 453 AS AMENDED BY H-1042
ANIMAL BIOTECHNOLOGY COMM. APPROP. BILL**

**HOUSE APPROPRIATIONS
COMMITTEE AMENDMENT H-1042**

FUNDING SUMMARY

BOND PROCEEDS

**RESTRICTED CAPITAL FUND
APPROPRIATIONS**

RIIF APPROPRIATIONS

**BILL AS PASSED BY THE HOUSE
ECONOMIC GROWTH COMMITTEE
FUNDING SUMMARY**

- *Page and line numbers refer to the location where the amendment is inserted into the Bill.*
- House File 453, as amended by H-1042, appropriates a total of \$33.0 million, which includes \$23.0 million from tax-exempt bond proceeds of the Restricted Capital Fund and \$10.0 million from the Rebuild Iowa Infrastructure Fund (RIIF) over a period of three fiscal years to the Animal Biotechnology Commercialization Fund and the Board of Regents.
- Specifies that tax-exempt bond proceeds of the Restricted Capital Fund may be used to provide grants for capital projects. (Page 1, Line 4)
- Eliminates language requiring one-half of the funds deposited into the Animal Biotechnology Commercialization Fund be used for loans or equity-like investment. (Page 2, Line 19)
- Appropriates \$5.0 million in FY 2003 and \$5.0 million in FY 2004 from the Restricted Capital Fund to the Animal Biotechnology Commercialization Fund for the construction of animal product purification facilities. The appropriations are required to be matched with \$10.0 million in non-State funds. (Page 3, Line 25)
- Appropriates \$10.0 million in FY 2005 from the Restricted Capital Fund to the Animal Biotechnology Commercialization Fund for the construction of commercial animal biodefense pharmaceutical production and processing facilities. (Page 3, Line 25)
- Appropriates \$5.0 million for FY 2005 from the RIIF to the Animal Biotechnology Commercialization Fund for the construction of biotechnology-related facilities that implement life science enterprise plans. (Page 3, Line 25)
- Appropriates \$5.0 million for FY 2004 from the RIIF to the Animal Biotechnology Commercialization Fund for the construction of animal product purification facilities. (Page 3, Line 25)
- Requires that any financial assistance funded from the Animal Biotechnology Commercialization Fund with RIIF appropriations be in the form of loans, forgivable loans, loan guarantees, principal or interest buy-downs, equity-like investments, or cost reimbursements for technical or professional management services. Requires repayment of the loans be deposited into the RIIF. (Page 3, Line 25)
- House File 453 appropriates a total of \$33.0 million from tax-exempt bond proceeds of the Restricted Capital Fund over a period of three fiscal years to the Animal Biotechnology Commercialization Fund and the Board of Regents.

**EXECUTIVE SUMMARY
NOTES ON BILLS AND AMENDMENTS**

**HOUSE FILE 453 AS AMENDED BY H-1042
ANIMAL BIOTECHNOLOGY COMM. APPROP. BILL**

**ANIMAL BIOTECHNOLOGY
COMMERCIALIZATION FUND**

**RESTRICTED CAPITAL FUND
APPROPRIATIONS**

BOARD OF REGENTS

EFFECTIVE DATE

- Creates the Animal Biotechnology Commercialization Fund to provide grants and loans for the construction of facilities related to animal biotechnology research and commercialization, and biodefense. (Page 1, Line 5)
- Appropriates \$5.0 million in FY 2004 from the Restricted Capital Fund to the Animal Biotechnology Commercialization Fund for the construction of biotechnology-related facilities that implement life science enterprise plans. (Page 2, Line 35)
- Appropriates \$5.0 million in FY 2003 and \$10.0 million in FY 2004 from the Restricted Capital Fund to the Animal Biotechnology Commercialization Fund for the construction of animal product purification facilities. The appropriations are required to be matched with \$10.0 million in non-State funds. (Page 3, Line 7)
- Appropriates \$10.0 million in FY 2005 from the Restricted Capital Fund to the Animal Biotechnology Commercialization Fund for the construction of commercial animal biodefense pharmaceutical production and processing facilities. (Page 3, Line 14)
- Appropriates \$3.0 million in FY 2004 from the Restricted Capital Fund to the Board of Regents for the construction of an animal biotechnology commercial pharmaceutical research center at Iowa State University. (Page 3, Line 26)
- This Bill takes effect upon enactment. (Page 4, Line 3)

House File 453 provides for the following changes to the Code of Iowa.

Page #	Line #	Bill Section	Action	Code Section	Description
1	1	1	Amends	Sec. 10C.6(1)(a)(1)	Life Science Land Acquisition
1	5	2	Adds	Sec. 15E.221(1)	Animal Biotechnology Commercialization Fund
1	31	2	Adds	Sec. 15E.221(2)	Animal Biotechnology Commercialization Fund
2	2	2	Adds	Sec. 15E.221(3)(a)	Animal Biotechnology Commercialization Fund Applications
2	10	2	Adds	Sec. 15E.221(3)(b)	Animal Biotechnology Commercialization Fund Applications
2	15	2	Adds	Sec. 15E.221(4)	Animal Biotechnology Commercialization Fund Disbursements
2	20	2	Adds	Sec. 15E.221(5)	Animal Biotechnology Commercialization Fund Nonreversion Clause

HF453 as amended by H-1042 provides for the following changes to the Code of Iowa.

Page #	Line #	Bill Section	Action	Code Section	Description
1	1	1	Amends	Sec. 12E.12(1)(b)(1)	Expenditure of Tax-Exempt Bond Proceeds

1 1 Section 1. Section 10C.6, subsection 1, paragraph a,
 1 2 subparagraph (1), Code 2003, is amended to read as follows:
 1 3 (1) The life science enterprise acquires the agricultural
 1 4 land on or before June 30, ~~2004~~ 2008.

CODE: Extends the date that a life science enterprise may acquire agricultural land from June 30, 2004, to June 30, 2008, for purposes of producing life science products according to the life science enterprise plan.

*H-1042

* 1 1 Amend House File 453 as follows:
 * 1 2 #1. Page 1, by inserting after line 4 the
 * 1 3 following:
 * 1 4 "Sec. __. Section 12E.12, subsection 1, paragraph
 * 1 5 b, subparagraph (1), Code 2003, is amended to read as
 * 1 6 follows:
 * 1 7 (1) The tax-exempt bond proceeds restricted
 * 1 8 capital funds account. The net proceeds of tax-exempt
 * 1 9 bonds issued to provide funds for capital projects,
 * 1 10 certain debt service, and attorney fees related to the
 * 1 11 master settlement agreement which the state treasurer
 * 1 12 is authorized and directed to deposit on behalf of the
 * 1 13 state shall be deposited in the account and shall be
 * 1 14 used to fund capital projects, certain debt service,
 * 1 15 and the payment of attorney fees related to the master
 * 1 16 settlement agreement. The funding of capital projects
 * 1 17 may take the form of grants. With respect to capital
 * 1 18 projects, it is the intent of the general assembly to
 * 1 19 fund capital projects that qualify as vertical
 * 1 20 infrastructure projects as defined in section 8.57,
 * 1 21 subsection 5, paragraph "c", to the extent practicable
 * 1 22 in any fiscal year and without limiting other
 * 1 23 qualifying capital expenditures considered and
 * 1 24 approved by a constitutional majority of each house of
 * 1 25 the general assembly and the governor."

House Appropriations Committee Amendment:

CODE: Clarifies that tax-exempt bond proceeds of the Restricted Capital Fund may be used to provide grants for capital projects.

1 5 Sec. 2. NEW SECTION. 15E.221 ANIMAL BIOTECHNOLOGY
 1 6 COMMERCIALIZATION FUND.
 1 7 1. An animal biotechnology commercialization fund is
 1 8 created in the state treasury under the control of the

CODE: Creates the Animal Biotechnology Commercialization Fund to provide grants and loans for the following types of projects:

- Construction of biotechnology-related facilities that implement life

1 9 department of economic development. Moneys in the fund shall
 1 10 be used to provide financial assistance in the form of grants
 1 11 and loans for all of the following:
 1 12 a. Constructing infrastructure and developing proprietary
 1 13 biotechnology interests in order to implement life science
 1 14 enterprise plans approved by the department pursuant to
 1 15 section 15.104.
 1 16 b. Constructing facilities for the purification of animal
 1 17 life science products which facilities shall, in part, be
 1 18 available in a commercially reasonable manner to other
 1 19 companies engaging in the business of purification of animal
 1 20 life science products. At least ten million dollars of the
 1 21 total cost of constructing such a facility must be paid for
 1 22 through the use of any combination of federal, local, and
 1 23 private moneys.
 1 24 c. Constructing commercial animal biodefense
 1 25 pharmaceutical production and processing facilities in this
 1 26 state, provided that an Iowa-based qualified life science
 1 27 enterprise holds an equity interest in the facilities. Prior
 1 28 to receiving financial assistance under this paragraph, the
 1 29 recipient must be a party to a federal contract for the
 1 30 construction of a facility described in this paragraph.

1 31 2. The fund shall consist of moneys appropriated by the
 1 32 general assembly for deposit in the fund, and other moneys
 1 33 available to and obtained or accepted by the department for
 1 34 deposit in the fund. Moneys in the fund are appropriated to
 1 35 the department to be used for the purposes provided in this
 2 1 section.

2 2 3. a. Applications for financial assistance for projects
 2 3 described in subsection 1, paragraphs "a" and "b", shall be
 2 4 filed with the department not later than May 30, 2003, and
 2 5 shall be acted upon by the department not later than June 30,
 2 6 2003. Administrative rules relating to the time frame for the
 2 7 approval or disapproval of life science enterprise plans shall

science enterprise plans.

- Construction of animal product purification facilities that must be matched with at least \$10,000,000 in non-State funds.
- Construction of commercial animal biodefense pharmaceutical production and processing facilities in which the grant recipient is a party to a federal contract for construction of the facility.

CODE: Specifies that the moneys in the Animal Biotechnology Commercialization Fund are appropriated to the Department of Economic Development (DED) to be used for the purposes in Section 15E.221, Code of Iowa.

CODE: Requires that applications for projects involving the construction of biotechnology-related facilities and animal product purification facilities be filed with DED no later than May 30, 2003.

Requires the applications to be acted upon by the Department no later than June 30, 2003.

2 8 not apply to the time frame for the application process under
2 9 this subsection.

Specifies that the applications for these projects are exempt from the Administrative Rules that pertain to application processes of life science enterprise plans.

2 10 b. Applications for financial assistance for projects
2 11 described in subsection 1, paragraph "c", shall be filed with
2 12 the department not later than July 1, 2005, and financial
2 13 assistance provided to such projects shall be expended not
2 14 later than June 30, 2006.

CODE: Requires that applications for projects involving the construction of commercial animal biodefense pharmaceutical production and processing facilities be filed with DED no later than July 1, 2005, and that the funds be expended by June 30, 2006.

2 15 4. A financial assistance award approved under this
2 16 section may involve the disbursement of moneys from the fund
2 17 over a period of more than one year. At least one-half of
2 18 each financial assistance award approved under this section
2 19 shall be in the form of a loan or equity-like investment.

CODE: Permits the Animal Biotechnology Commercialization Fund to be disbursed over more than a one-year period and requires that at least one-half of the financial assistance be in the form of a loan or equity-like investment.

DETAIL: Section 3 of this Bill appropriates money from the tax-exempt bond proceeds of the Restricted Capital Fund. The Internal Revenue Service regulates the expenditure of these proceeds in the same manner as hedge funds. The bond proceeds, and the interest earned on those proceeds, must be expended by FY 2007. Establishment of a loan program would extend repayment of the proceeds beyond FY 2007, causing the State to be in violation of the hedge bond rules, thus jeopardizing the tax-exempt status on the bonds.

*H-1042

* 1 26 #2. Page 2, by striking lines 17 through 19 and
* 1 27 inserting the following: "over a period of more than
* 1 28 one year."

House Appropriations Committee Amendment:

Eliminates language requiring one-half of the funds deposited in the Animal Biotechnology Commercialization Fund be used for loans or equity-like investment.

2 20 5. Notwithstanding section 8.33, all moneys in the animal
2 21 biotechnology commercialization fund which remain unexpended
2 22 or unobligated at the close of the fiscal year shall not
2 23 revert, but shall remain available for expenditure for
2 24 subsequent fiscal years. Notwithstanding section 12C.7,
2 25 interest or earnings on moneys in the fund shall be credited

CODE: Establishes the Animal Biotechnology Commercialization Fund as a revolving fund and allows interest earned by the Fund to remain in the Fund.

2 26 to the fund.

2 27 Sec. 3. ANIMAL BIOTECHNOLOGY COMMERCIALIZATION FUND
 2 28 APPROPRIATION. There is appropriated from the tax-exempt bond
 2 29 proceeds restricted capital funds account of the tobacco
 2 30 settlement trust fund established in section 12E.12 to the
 2 31 department of economic development for the fiscal period
 2 32 beginning July 1, 2002, and ending June 30, 2005, the
 2 33 following amounts, or so much thereof as is necessary, to be
 2 34 used for the purpose designated:

Appropriates funds to the Animal Biotechnology Commercialization Fund from the tax-exempt bond proceeds of the Restricted Capital Fund.

2 35 1. For deposit in the animal biotechnology
 3 1 commercialization fund created in section 15E.221 to be used
 3 2 for purposes of projects described in section 15E.221,
 3 3 subsection 1, paragraph "a":
 3 4 FY 2002-2003.....\$ 0
 3 5 FY 2003-2004.....\$ 5,000,000
 3 6 FY 2004-2005.....\$ 0

Restricted Capital Fund appropriation for FY 2004 to the Animal Biotechnology Commercialization Fund for the construction of biotechnology-related facilities that implement life science enterprise plans.

3 7 2. For deposit in the animal biotechnology
 3 8 commercialization fund created in section 15E.221 to be used
 3 9 for purposes of projects described in section 15E.221,
 3 10 subsection 1, paragraph "b":
 3 11 FY 2002-2003.....\$ 5,000,000
 3 12 FY 2003-2004.....\$ 10,000,000
 3 13 FY 2004-2005.....\$ 0

Restricted Capital Fund appropriations for FY 2003 and FY 2004 to the Animal Biotechnology Commercialization Fund for the construction of animal product purification facilities.

DETAIL: The Bill requires these appropriations to be matched with \$10,000,000 in non-State funds.

3 14 3. For deposit in the animal biotechnology
 3 15 commercialization fund created in section 15E.221 to be used
 3 16 for purposes of projects described in section 15E.221,
 3 17 subsection 1, paragraph "c":
 3 18 FY 2002-2003.....\$ 0
 3 19 FY 2003-2004.....\$ 0
 3 20 FY 2004-2005.....\$ 10,000,000

Restricted Capital Fund appropriation for FY 2005 to the Animal Biotechnology Commercialization Fund for the construction of commercial animal biodefense pharmaceutical production and processing facilities.

3 21 Any moneys remaining in the fund from the appropriations
 3 22 under subsection 3 that are unexpended or unobligated on June
 3 23 30, 2006, shall revert to the tax-exempt bond proceeds
 3 24 restricted capital funds account of the tobacco settlement
 3 25 trust fund on June 30, 2006.

Requires that any unexpended funds remaining as of June 30, 2006, from the appropriations in this Bill to revert to the Restricted Capital Fund.

*H-1042

* 1 29 #3. By striking page 2, line 27, through page 3,
 * 1 30 line 25, and inserting the following:
 * 1 31 "Sec. ____ TAX-EXEMPT BOND PROCEEDS RESTRICTED
 * 1 32 CAPITAL FUNDS ACCOUNT OF THE TOBACCO SETTLEMENT TRUST
 * 1 33 FUND -- APPROPRIATION.
 * 1 34 1. There is appropriated from the tax-exempt bond
 * 1 35 proceeds restricted capital funds account of the
 * 1 36 tobacco settlement trust fund established in section
 * 1 37 12E.12 to the department of economic development for
 * 1 38 the fiscal period beginning July 1, 2002, and ending
 * 1 39 June 30, 2005, the following amounts, or so much
 * 1 40 thereof as is necessary, to be used for the purposes
 * 1 41 designated:

House Appropriations Committee Amendment:

Eliminates language that appropriates \$30,000,000 over three fiscal years to the Animal Biotechnology Commercialization Fund.

*H-1042

* 1 42 a. For deposit in the animal biotechnology
 * 1 43 commercialization fund created in section 15E.221 to
 * 1 44 be used for purposes of projects described in section
 * 1 45 15E.221, subsection 1, paragraph "b":
 * 1 46 FY 2002-2003 \$ 5,000,000
 * 1 47 FY 2003-2004 \$ 5,000,000
 * 1 48 FY 2004-2005 \$ 0

House Appropriations Committee Amendment:

Restricted Capital Fund appropriations for FY 2003 and FY 2004 to the Animal Biotechnology Commercialization Fund for the construction of animal product purification facilities.

DETAIL: The Bill requires these appropriations to be matched with \$10,000,000 in non-State funds.

*H-1042

* 1 49 b. For deposit in the animal biotechnology
 * 1 50 commercialization fund created in section 15E.221 to
 * 2 1 be used for purposes of projects described in section
 * 2 2 15E.221, subsection 1, paragraph "c":

House Appropriations Committee Amendment:

Restricted Capital Fund appropriation for FY 2005 to the Animal Biotechnology Commercialization Fund for the construction of commercial animal biodefense pharmaceutical production and processing facilities.

PG LN	HF453 as amended by H-1042	Explanation
* 2 3	FY 2002-2003 \$ 0	
* 2 4	FY 2003-2004 \$ 0	
* 2 5	FY 2004-2005 \$ 10,000,000	
*H-1042		
* 2 6	2. Any financial assistance awarded from the	House Appropriations Committee Amendment: Requires that any financial assistance funded from tax-exempt bond proceeds of the Restricted Capital Funds be awarded in the form of grants.
* 2 7	animal biotechnology commercialization fund using	
* 2 8	moneys from the appropriations made under this section	
* 2 9	shall be in the form of grants.	
*H-1042		
* 2 10	3. Any moneys remaining in the fund from the	House Appropriations Committee Amendment: Requires that any unexpended funds from Restricted Capital Fund appropriations remaining as of June 30, 2006, revert to the Restricted Capital Fund.
* 2 11	appropriations under this section that are unexpended	
* 2 12	or unobligated on June 30, 2006, shall revert to the	
* 2 13	tax-exempt bond proceeds restricted capital funds	
* 2 14	account of the tobacco settlement trust fund on June	
* 2 15	30, 2006.	
*H-1042		
* 2 16	Sec. ____ REBUILD IOWA INFRASTRUCTURE FUND --	House Appropriations Committee Amendment: Rebuild Iowa Infrastructure Fund appropriation for FY 2005 to the Animal Biotechnology Commercialization Fund for the construction of biotechnology-related facilities that implement life science enterprise plans.
* 2 17	APPROPRIATION.	
* 2 18	1. There is appropriated from the rebuild Iowa	
* 2 19	infrastructure fund created in section 8.57,	
* 2 20	subsection 5, paragraph "a", to the department of	
* 2 21	economic development for the fiscal period beginning	
* 2 22	July 1, 2003, and ending June 30, 2005, the following	
* 2 23	amounts, or so much thereof as is necessary, to be	
* 2 24	used for the purposes designated:	
* 2 25	a. For deposit in the animal biotechnology	
* 2 26	commercialization fund created in section 15E.221 to	
* 2 27	be used for purposes of projects described in section	
* 2 28	15E.221, subsection 1, paragraph "a":	
* 2 29	FY 2003-2004 \$ 0	
* 2 30	FY 2004-2005 \$ 5,000,000	

*H-1042 **House Appropriations Committee Amendment:**

PG LN	HF453 as amended by H-1042	Explanation
* 2 31 * 2 32 * 2 33 * 2 34 * 2 35 * 2 36	b. For deposit in the animal biotechnology commercialization fund created in section 15E.221 to be used for purposes of projects described in section 15E.221, subsection 1, paragraph "b": FY 2003-2004 \$ 5,000,000 FY 2004-2005 \$ 0	Rebuild Iowa Infrastructure Fund appropriation for FY 2004 to the Animal Biotechnology Commercialization Fund for the construction of animal product purification facilities.
*H-1042 * 2 37 * 2 38 * 2 39 * 2 40 * 2 41 * 2 42 * 2 43 * 2 44 * 2 45 * 2 46 * 2 47 * 2 48 * 2 49 * 2 50 * 3 1 * 3 2 * 3 3	2. Any financial assistance awarded from the animal biotechnology commercialization fund using moneys from the appropriations made under this section shall be in the form of loans, forgivable loans, loan guarantees, principal buy-downs, interest buy-downs, equity-like investments, or cost reimbursement for technical or professional management services. For purposes of this subsection, "equity-like investments" means the provision of assistance in such a manner that the potential return on investment to the provider varies according to the profitability of the company assisted. "Equity-like investments" includes royalty arrangements, warrant arrangements, or other similar forms of investments. Repayments of principal and interest on loans made from the animal biotechnology commercialization fund shall be deposited in the rebuild Iowa infrastructure fund.	<p>House Appropriations Committee Amendment: Requires that any financial assistance funded from the Animal Biotechnology Commercialization Fund with Rebuild Iowa Infrastructure Fund appropriations be in the form of loans, forgivable loans, loan guarantees, principal or interest buy-downs, equity-like investments, or cost reimbursements for technical or professional management services.</p> <p>Defines equity-like investment and specifies that an equity-like investment includes royalty or warrant arrangements, or other investment arrangements.</p> <p>Requires the repayment of the principal and interest from Animal Biotechnology Commercialization Fund loans to be deposited into the Rebuild Iowa Infrastructure Fund.</p>
*H-1042 * 3 4 * 3 5 * 3 6 * 3 7 * 3 8	3. Any moneys remaining in the animal biotechnology commercialization fund from the appropriations under this section that are unexpended or unobligated on June 30, 2006, shall revert to the rebuild Iowa infrastructure fund on June 30, 2006."	<p>House Appropriations Committee Amendment: Requires that any unexpended funds from the Rebuild Iowa Infrastructure Fund appropriations remaining as of June 30, 2006, revert to the Rebuild Iowa Infrastructure Fund.</p>
*H-1042 * 3 9	#4. By renumbering as necessary.	<p>House Appropriations Committee Amendment: Renumbers the Bill.</p>

3 26 Sec. 4. STATE BOARD OF REGENTS APPROPRIATION. There is
 3 27 appropriated from the tax-exempt bond proceeds restricted
 3 28 capital funds account of the tobacco settlement trust fund
 3 29 established in section 12E.12 to the state board of regents
 3 30 for the fiscal year beginning July 1, 2003, and ending June
 3 31 30, 2004, the following amount, or so much thereof as is
 3 32 necessary, to be used for the purpose designated:
 3 33 For the construction of an animal biotechnology commercial
 3 34 pharmaceutical research center to be built in cooperation with
 3 35 the establishment by private and local sources of an animal
 4 1 biotechnology business development center:
 4 2 \$ 3,000,000

Restricted Capital Fund appropriation for FY 2004 to the Board of Regents for the construction of an animal biotechnology commercial pharmaceutical research center.

DETAIL: The facility will be constructed at Iowa State University.

4 3 Sec. 5. EFFECTIVE DATE. This Act, being deemed of
 4 4 immediate importance, takes effect upon enactment.

Specifies that this Bill is effective upon enactment.

*H-1042

* 3 10

* 3 11

* 3 12

* 3 13 COMMITTEE ON APPROPRIATIONS

* 3 14 DIX of Butler, CHAIRPERSON

* 3 15 HF 453.502 80

* 3 16 tm/pj

4 5 EXPLANATION

4 6 This bill relates to animal biotechnology by creating an
 4 7 animal biotechnology commercialization fund, extending the
 4 8 time period during which a life science enterprise may
 4 9 purchase agricultural land, and making appropriations.
 4 10 The bill extends the time period during which a life
 4 11 science enterprise may purchase agricultural land from June
 4 12 30, 2004, to June 30, 2008.
 4 13 The bill creates an animal biotechnology commercialization
 4 14 fund in the state treasury under the control of the department

4 15 of economic development. The bill provides that moneys in the
4 16 fund shall be used to provide financial assistance in the form
4 17 of grants and loans for constructing infrastructure and
4 18 developing proprietary biotechnology interests in order to
4 19 implement life science enterprise plans approved by the
4 20 department, constructing facilities for the purification of
4 21 animal life science products, and constructing commercial
4 22 animal biodefense pharmaceutical production facilities in
4 23 Iowa. The bill provides that at least \$10 million of the
4 24 total costs of constructing a purification facility must be
4 25 paid for through the use of any combination of federal, local,
4 26 and private moneys. The bill provides that prior to receiving
4 27 financial assistance for an animal biodefense pharmaceutical
4 28 production facility, the recipient must be a party to a
4 29 federal contract for the construction of such a facility.
4 30 The bill provides that applications for financial
4 31 assistance for infrastructure projects for life science
4 32 enterprise plans and purification facilities shall be filed
4 33 with the department not later than May 30, 2003, and shall be
4 34 acted upon by the department not later than June 30, 2003.
4 35 The bill provides that applications for financial assistance
5 1 for a biodefense facility shall be filed not later than July
5 2 1, 2005, and financial assistance shall be expended not later
5 3 than June 30, 2006. The bill provides that a financial
5 4 assistance package may involve the disbursement of moneys from
5 5 the fund over a period of more than one year and at least one-
5 6 half of each financial assistance package shall be a loan or
5 7 equity-like investment.
5 8 The bill appropriates moneys from the tax-exempt bond
5 9 proceeds restricted capital funds account of the tobacco
5 10 settlement trust fund to the department of economic
5 11 development for deposit in the animal biotechnology
5 12 commercialization fund. The bill appropriates \$5 million in
5 13 FY 2003-2004 for constructing infrastructure and developing
5 14 proprietary biotechnology interests. The bill appropriates \$5
5 15 million in FY 2002-2003 and \$10 million in FY 2003-2004 for
5 16 purification facilities. The bill appropriates \$10 million in
5 17 FY 2004-2005 for a biodefense facility.

PG LN

HF453 as amended by H-1042

Explanation

5 18 The bill appropriates \$3 million from the tax-exempt bond
5 19 proceeds restricted capital funds account of the tobacco
5 20 settlement trust fund to the state board of regents for the
5 21 fiscal year beginning July 1, 2003, and ending June 30, 2004,
5 22 for the construction of an animal biotechnology commercial
5 23 pharmaceutical research center to be built in cooperation with
5 24 the establishment by private and local sources of an animal
5 25 biotechnology business development center.
5 26 The bill takes effect upon enactment.

5 27 LSB 2585HV 80
5 28 tm/cf/24

Trans., Infra., and Capitals

Non General Fund

H.F. 453 Amended by H-1042	S-House Approp FY 2003 <u>(1)</u>	House Approp FY 2004 <u>(2)</u>	House Approp FY 2005 <u>(3)</u>	Page & Line Number <u>(4)</u>
<u>DED Capitals</u>				
Biotech. Infrastructure-RIIF	\$ 0	\$ 0	\$ 5,000,000	PG 3 LN 25
Purification Facilities-RIIF	0	5,000,000	0	PG 3 LN 25
Purification Facilities-RCF	5,000,000	5,000,000	0	PG 3 LN 25
Comm Biodefense Facilities-RCF	0	0	10,000,000	PG 3 LN 25
Total DED Capitals	\$ 5,000,000	\$ 10,000,000	\$ 15,000,000	
<u>Regents Capital</u>				
ISU-Animal Biotech Center-RCF	\$ 0	\$ 3,000,000	\$ 0	PG 3 LN 26
Total Trans., Infra., and Capitals	\$ 5,000,000	\$ 13,000,000	\$ 15,000,000	